

DEPARTMENT OF THE NAVY

HUMAN RESOURCES SERVICE CENTER NORTHEAST

EMPLOYEE BENEFITS UPDATE 02-06

SUBJECT: 2002 Federal Employees Health Benefits (FEHB) Open Season

Date: 04 November 2002

The Federal Employees Health Benefits (FEHB) Open Season will be held from 11 November 2002 through 9 December 2002. During this open season, any eligible employee who is not currently participating may enroll and any employee already enrolled may change from one plan or option to another, from self only to self and family, or make a combination of these changes.

Enrollees who wish to continue their current enrollments do not need to take any action during this open season. **However, enrollees whose plans will not be participating in the FEHB Program in 2003, or whose current plans dropped the enrollment code they are enrolled in, MUST enroll in a different plan this open season to ensure continued FEHB coverage in 2003.**

There are several ways to obtain information concerning which plans will not be participating in the FEHB Program in 2003, have dropped enrollment codes or have made other significant changes. This information can be accessed through the OPM web site www.opm.gov/insure/health/03changes/index.asp. The list of significant changes to FEHB plans for 2003 is also attached to Benefits Administration Letter 02-405 which is available on the OPM web site. Employees who do not have internet access, can contact the Benefits Line (1-888-320-2917) as described at the end of this notice. Please carefully review this information in order to determine the changes that may affect your FEHB coverage for 2003.

TYPES OF FEHB PLANS AVAILABLE

There are three basic types of plans available under the FEHB Program: Managed Fee-for-Service (FFS) Plans; Health Maintenance Organization (HMOs); and Plans offering a Point of Service (POS) Product.

1. Managed Fee-for-Service Plans (FFS): These plans reimburse you or your health care provider for covered services after you receive the service. If you enroll in one of these plans, you may choose your own physicians, hospitals or other health care providers. These plans are considered "managed" because they contain features such

as pre-certification of hospital admissions and utilization review of ongoing care. In addition, most of the fee-for-service plans have preferred provider arrangements in many parts of the country. You can reduce your out of pocket expenses and, in some cases, receive enhanced benefits by using preferred providers.

2. Health Maintenance Organizations (HMOs): These plans provide a comprehensive array of medical services, emphasizing prevention and early detection of disease, through contracted physicians, hospitals, and other providers in particular locations. Each HMO is open to employees within the plan's enrollment area. You cannot enroll in an HMO if you are located outside its enrollment area. Refer to the plan's brochure if you have any questions about the enrollment area. If you are enrolled in an HMO, be sure to review the brochure carefully to see if there are any changes in the plan's service area, which would require any action on your part.

3. Plans Offering a Point of Service (POS) Product: Some FEHB plans combine their features. A number of fee-for-service and HMO plans offer two forms of health care delivery, known as "in network" and "out of network". In an HMO that offers a POS product, the POS product acts like a fee-for-service plan. The HMO enrollees may use non-affiliated (out of network) providers if they wish, but the services will cost them more--in terms of deductibles and coinsurance--than if they used plan providers. In a fee-for-service plan with a POS product, the POS product acts like an HMO. If enrollees agree to let their medical care be managed by in network physicians, they will get a better benefit, usually in the form of richer benefits and lower copays or coinsurance.

FEHB PLAN INFORMATION

If you are considering enrolling or making an enrollment change, be sure to review the 2003 Guide to Federal Employees Health Benefits Plans. The FEHB Guide contains a comparison chart that gives general information about each plan and shows the biweekly and monthly premium rates. Do not rely solely on the FEHB Guide when selecting a health insurance plan. Before making your decision, be sure to read the brochures for the plan(s) you are considering for a complete description of the benefits for that particular plan. All 2003 FEHB Guides and health plan brochures are available from the OPM web site at www.opm.gov/insure/health. Some plan brochures can also be obtained by contacting the Benefits Line. Plan brochures are also available from the individual health insurance carriers.

HOW TO ENROLL OR MAKE AN ENROLLMENT CHANGE DURING OPEN SEASON

Using A Computer To Make An Open Season Change. The most efficient way to make an FEHB open season change is by using the Employee Benefits Information System (EBIS). By using EBIS, you can make an FEHB open season change 24 hours a day from any computer with Internet access.

You can access EBIS through Department of Navy Civilian Human Resources homepage at <http://www.donhr.navy.mil/>. Select "EBIS". Once you are in the DON

Civilian Benefits Information Center, select "EBIS/Change Benefits". To log into EBIS you use your Social Security Number and password. New EBIS users must establish a password and the process is described in Attachment 1. Please note that passwords expire every 90 days. To make an FEHB open season change, you must also establish a Personal Identification Number (PIN) if you haven't already created a PIN in EBIS or the Benefits Line. Your initial PIN is your month and year of birth (MMYY). You must change this to a 6-digit PIN. After your password and pin have been created, click on "Health" and then "Personal Transactions". Then click on "FEHB Open Season Elections/Changes in Enrollment". You will be asked to enter your Social Security Number and Pin. Follow the instructions to make your open season election/change. Please remember that when electing self and family coverage, you will be asked to enter the full names, dates of birth and Social Security Numbers of all family members.

Using the Benefits Line to Make An Open Season Change. If you prefer, you may elect to make your FEHB Open Season enrollment or change by using the Benefits Line (1-888-320-2917). The Benefits Line uses a touch tone telephone. This system is also available 24 hours a day. Note: employees who use the automated system to elect self and family enrollment or have other health insurance coverage will be automatically transferred to a Customer Service Representative for the input of their family member or other health insurance information. Therefore, employees electing self and family coverage or having other health insurance coverage should only use the Benefits Line to make an FEHB enrollment/change during the hours when a Customer Service Representative is available as detailed below.

To make a FEHB open season change using the automated system, you must establish a Personal Identification Number (PIN) if you haven't already created a PIN in EBIS or the Benefits Line. You will initially be asked to enter a 4 digit PIN consisting of the month and year of your birth (MMYY). For security purposes, the system will then prompt you to change your PIN to a 6 digit number of your choice. Once you have established a PIN in either EBIS or the Benefits Line, the same PIN is used to access either system.

In addition to using the automated system to make Benefits changes, the Benefits Line also has Customer Service Representatives (CSRs) available to provide assistance and answer questions between the hours of 7:30 am and 4:30 pm (EST) Monday through Friday. Please note that during the FEHB open season, the hours to speak to a CSR will be extended until 8:00 pm Monday to Friday.

Reminder - The HRSC-NE no longer accepts for processing any hardcopy Employee Health Benefits Election Forms, SF-2809. All SF-2809s received by the HRSC-NE will not be processed and will be returned to the employees.

Open season enrollments and changes will become effective 12 January 2003. If you change plans, any covered expenses incurred between 1 January 2003 and 11 January 2003 will count toward the 2002 deductible of your old plan.

Please note that information you provide by enrolling in the FEHB Program may also be used for computer matching with Federal, state, or local agencies' files to determine

whether you qualify for benefits, payments, or eligibility in the FEHB Program, Medicare, or other Government benefits programs.

FEHB PREMIUM CONVERSION

FEHB Premium Conversion Clause: Unless you otherwise waive participation, the premiums that are withheld from your pay for health insurance are withheld BEFORE your federal taxes are calculated; therefore, the gross income amount reported for tax purposes is reduced. This feature is known as FEHB Premium Conversion (FEHB-PC). During the FEHB open season, you have the opportunity to change previous FEHB-PC decisions. If you have elected to participate in premium conversion, the remarks section of your LES will have the statement "Pretax FEHB exclusion \$____."

There are several important aspects of FEHB-PC that you should be aware of:

- Paying health insurance premiums with pre-tax money reduces the earnings reported to the Social Security Administration. This may result in a slightly lower Social Security benefit when you retire.
- If you participate in FEHB-PC you are not able to deduct health insurance premiums as a medical deduction on your income tax return.
- By participating in FEHB-PC, you do not have the flexibility to cancel your health insurance coverage or change to a self-only enrollment from a family enrollment any time. You will be able make these changes only in conjunction with a qualifying life event or during the annual FEHB open season.

If you wish to waive the pre-tax treatment of your health benefit premiums OR if you previously submitted a waiver form and now desire to restore participation in premium conversion, you will need to contact the Benefits Line for further instructions on completing and submitting a Premium Conversion Waiver/Election form. All elections to restore or waive participation must be receipted no later than 9 December 2002 and will be effective 12 January 2003. Additional information on FEHB premium conversion is available on the OPM homepage at www.opm.gov/insure/health/pretaxfehb/index.htm. Please note that employees currently participating in this premium pre-tax treatment do not need to submit any form.

TEMPORARY CONTINUATION OF COVERAGE (TCC)

If you lose your FEHB coverage because you separate from Federal service, you may enroll under the TCC provision of the FEHB law to continue your coverage for up to 18 months. Exception: you are not eligible for TCC if your separation is due to gross misconduct.

Your family members who lose coverage because they are no longer eligible family members may enroll under TCC to continue FEHB coverage for up to 36 months. This includes spouses who lose coverage because of divorce and children who lose coverage because they marry or reach age 22.

TCC enrollees must pay the total plan premium (without a Government contribution) plus a 2% charge for administrative expenses. There are specific time frames within

which you or your dependent must enroll for TCC. Contact the Benefits Line for more information about TCC.

SPECIAL INFORMATION FOR THOSE CONSIDERING RETIREMENT

Employees nearing retirement age are reminded that to continue FEHB into retirement you must be enrolled in an FEHB plan at the time of retirement and must have been covered under the FEHB program (as an employee or family member) for the 5 years of service immediately preceding retirement. The 5-year requirement is based on 5 years in the FEHB program, not a particular plan. An important note is that TRICARE Standard (formerly CHAMPUS) coverage can be included in meeting this 5-year requirement, however, you must be enrolled in an FEHB plan on the date of retirement to continue coverage.

QUESTIONS REGARDING FEHB

If you have any questions, please contact the Benefits Line (1-888-320-2917) to speak to a Customer Service Representative (CSR) between the hours of 7:30 am and 4:30 pm (EST) Monday through Friday. Please note that during the FEHB open season, the hours to speak to a CSR will be extended until 8:00 pm Monday to Friday. Please press #2 to be connected to a CSR and #6 for the Northeast. Hearing impaired employees may call the TDD number 215-408-5449.

ATTACHMENT 1

HOW TO CREATE A PASSWORD FOR EBIS

You can access EBIS through the Department of Navy Civilian Human Resources web site at <http://www.donhr.navy.mil/>. Select "Pay and Benefits" then DON Civilian Benefits Information (EBIS). You will be connected to the Department of Navy Civilian Benefits Information Center. From there you can select the EBIS module.

Once you are in the EBIS module, you must create a password. Select the "Set Password" button. EBIS must verify your identify before you can create a password. You will complete the information listed below based on your most recent SF 50, Notification of Personnel Action or Leave and Earnings Statement (LES).

Social Security Number
Service Computation Date for leave (MM/DD/YYYY)
Date of Birth (MM/DD/YYYY)
Civilian Pay Plan
Grade
Step

The password must:

- Contain 8 - 10 characters
- Cannot match any portion of your social security number
- Contain at least 3 of the following 4 characters:

- An upper case letter (A, B, C,...Z)
- A lower case letter (a, b, c,...z)
- A number (0, 1, 2, 3,...9)
- A special character (exclamation point (!), at sign (@), number sign (#), etc.).

DO NOT USE apostrophes ('), commas (,), pipes (|), or periods(.)

Examples of valid passwords:

- October8 (uppercase/lowercase/numeric)
- 090971Tm (numeric/uppercase/lowercase)
- adnoM@30 (lowercase/uppercase/special character)
- 082597Hd (numeric/uppercase/lowercase)
- luAMears! (uppercase/lowercase/special characters)

In compliance with DoD security measures, there is an eight-day waiting period between password changes. You cannot use the same password within a six-month period. Passwords must be changed every 90 days.